

## **Local Officers Compensation Commission**



**2:00 PM**

**Monday, September 14, 2015**

**Located in: The Second Floor Conference Room**

**Governmental Center**

**Traverse City, MI 49684**

**Posted: Tuesday, September 8, 2015**

If you are planning to attend the meeting and you have a disability requiring any special assistance at the meeting, please notify the City Clerk, immediately.

The City of Traverse City does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Penny Hill, Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan, 49684, 922-4440, TDD 922-4412, has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice Regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the ADA Coordinator.

Local Officers Compensation Commission:  
c/o Benjamin C. Marentette, MMC, City Clerk  
(231) 922-4480  
Email: [tcclerk@traversecitymi.gov](mailto:tcclerk@traversecitymi.gov)  
Web: [www.traversecitymi.gov](http://www.traversecitymi.gov)  
400 Boardman Avenue  
Traverse City, MI 49684

### **AGENDA**

1. ROLL CALL
2. Consideration of approving the minutes of the regular meeting of July 17, 2015.
3. Consideration of a statement of intent regarding City Commission compensation.
4. Discussion regarding City Commission compensation.
5. Public Comment
6. Adjournment





The City of Traverse City

## Communication to the Commission

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LOCAL OFFICERS COMPENSATION COMMISSION MEETING OF SEPTEMBER 14, 2015

DATE: SEPTEMBER 8, 2015

FROM: BENJAMIN MARENTETTE, CITY CLERK

A handwritten signature in blue ink, appearing to read "Benjamin Marentette", written over the printed name.

SUBJECT: MINUTES

Attached are the minutes from the last session. The following motion would be appropriate to approve these minutes.

**that the minutes of the July 17, 2015, meeting be approved.**

BCM/kes



# **CITY OF TRAVERSE CITY**

## **Minutes**

### **Local Officers Compensation Commission**

**July 17, 2015**

A Regular Meeting for the Local Officers Compensation Commission was called to order in the Second Floor Conference Room, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 10:05 a.m.

The following were present, constituting a quorum: Warren Call, Ben Munger, and Peg Siciliano.

Also present was City Clerk Benjamin Marentette and Deputy City Clerk Katie Stroven.

The following was absent: None.

Peg Siciliano chaired.

1. Next item being "Consideration of selecting a Chairperson for 2015."

It was moved by Munger, seconded by Call, to select Peg Siciliano as the Chairperson for 2015.

CARRIED unanimously.

2. Next item being "Consideration of selecting a Vice Chairperson for 2015."

It was moved by Call, seconded by Siciliano, to select Ben Munger as the Vice Chairperson for 2015.

CARRIED unanimously.

3. Next item being "Consideration of approving the minutes of the regular meeting of January 30, 2009."

It was moved by Call, seconded by Munger, to approve the minutes from the regular meeting of January 30, 2009.

CARRIED unanimously.

4. Next item being "Consideration of compensation to the City Commission."

The following addressed the Commission:



Benjamin Marentette, City Clerk

No action was taken.

5. Next item being "Consideration of compensation to the Tax Board of Review."

The following addressed the Commission:

Benjamin Marentette, City Clerk  
Katie Stroven, Deputy City Clerk


It was moved by Munger, seconded by Siciliano, that the Traverse City Board of Review per diem pay structure be recommended to be \$242.25 per day for the 2015 calendar year which reflects the rate of inflation for each respective year since 2010, as determined by the State of Michigan of utilization in the determination of capped and taxable value of property, and further that the 2016 per day rate be adjusted by the rate of inflation as determined by the State of Michigan.

CARRIED unanimously.

6. Next item being "Public Comment."

None.

There being no objection, Chairperson Peg Siciliano declared the meeting adjourned at 11:05 a.m.

  
Benjamin Marentette, City Clerk  
Recording Secretary



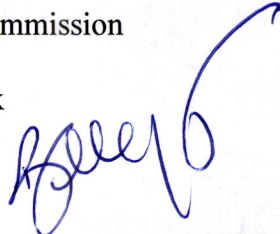
# Memorandum

The City of Traverse City



TO: Local Officers Compensation Commission

COPY: Katie Stroven, Deputy City Clerk

FROM: Benjamin Marentette, City Clerk 

DATE: Wednesday, August 26, 2015

SUBJECT: INFORMATION GATHERED – COMPENSATION FOR CITY COMMISSION

Thank you again for your service on the Local Officers Compensation Commission (LOCC). This memo is to update the LOCC on information I gathered as requested at the July 17 meeting with respect to the compensation provided to those who serve on the City Commission for Traverse City.

The LOCC requested that I work to gather information that might address the following questions; and below are the responses I gathered from nine former members of the City Commission:

- Is the amount of compensation a barrier?

*Eight of the nine former members of the City Commission with whom I spoke indicated they do not believe it is a barrier.*

*One former member of the City Commission indicated the amount is quite possibly a barrier for non-retirees/individuals who can't be taken away from other commitments, for example, a second job.*

- For those who have served on the City Commission, did the compensation affect their decision to seek office?

*All nine of the former members of the City Commission with whom I spoke indicated the level of compensation played no role in their decision to seek office.*

Perhaps the most challenging remaining question may be: ***How can an amount of compensation be determined such that it isn't the reason one may seek office on the City Commission and also that it isn't a barrier?*** This is a vexing question and I believe it may be very difficult to find the answer. I shared this question with all of those with whom I spoke and asked them to provide any feedback/general sentiments; and the following was shared:

*Working to set the compensation such that it isn't the reason someone runs and also isn't*



*a barrier is a sensible way to look at this issue. Given that, Traverse City, when compared to other municipalities requires a higher than average amount of physical and mental energy, time, as well as emotional energy.*

*The LOCC should look at the compensation provided to area jurisdictional boards and consider setting the compensation for the City Commission with the perspective of the unique quantity and depth of activity and issues in the City.*

*Don't make the compensation the reason people run.*

*The compensation should cover 'incidentals,' and currently does that.*

*Provide a nominal increase given the fact that there has not been an increase since 2009. (Three individuals shared this.)*

*Consider providing 'steps' to the compensation – providing a greater level of compensation based on the number of years of service.*

*Base the increase on the cumulative changes to CPI since 2009 (the last increase)*

I have reached out to the League of Women Voters as well as Rotary Charities; and the League indicated this isn't a question they would vet. When speaking with Rotary Charities, they suggested the LOCC may wish to convene a focus group to help answer the question above. That could be a subject for discussion of the LOCC at your next meeting.

Additionally, I will be meeting with a representative of the Michigan Municipal League shortly after the next meeting to discuss this issue and will be happy to share the content of our discussion.

Also at the last meeting of the LOCC, it was requested that we obtain the compensation paid to area municipalities; attached is that information.

Additionally, attached is a draft Compensation Statement of Intent prepared by LOCC Vice Chair Ben Munger.

Lastly, we are attaching the information relative to City Commission compensation discussion provided to you for the July 17 meeting; please note, however, that the compensation for Grand Haven was increased as outlined in the attachment.

We look forward to the discussion; and as always, please contact me if you have any questions or would like to discuss any matters in advance of the meeting.

K:\tcclerk\committees boards\Local Officers\2015 LOCC Meeting\memo information gathered 2015 september meeting



2015 Survey of Elected Officials Annual Compensation Packages

	East Bay	Garfield	Long Lake	Peninsula	Acme	Blair	Elmwood	Grand Traverse Co.	Leelanau Co.	City of Traverse City
Equalized Values	\$ 612,760,950.00	\$ 963,686,700.00	\$ 529,708,700.00	\$ 813,688,900.00	\$ 380,907,300.00	\$ 294,749,825.00	\$ 344,576,800.00	\$ 5,528,183,660.00	\$ 3,330,999,709.00	\$ 1,060,051,000.00
Population	\$ 10,663.00	\$ 16,965.00	\$ 8,662.00	\$ 5,433.00	\$ 4,375.00	\$ 8,209.00	\$ 4,503.00	\$ 90,000.00	\$ 21,915.00	\$ 15,018.00
Supervisor/Mayor/Board Chair										
Mayor Pro Tem/Vice Chair	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$8,000 + \$35 per diem \$7,500 + \$35 per diem	\$7,700 + \$70 per diem	\$ 6,020.83 4,817.09
Trustee/Commissioner	\$ 5,793.00	\$ 10,000.00	\$ 5,371.00	\$ 4,935.00	\$ 6,000.00	\$ 7,528.00	\$2,805 + \$100 per diem for Special meetings called by the Twp.	\$7,000 + \$35 per diem	\$5,000 + \$70 per diem	\$ 4,334.74
Trustee/Commissioner Health Care Coverage	None	None	None	None	None	100% Family Coverage OR \$3000 Payment in Lieu	None	90% Single Coverage	100% Family Coverage OR 50% Payment in Lieu	None

Notes:

Grand Traverse County Board per diems are paid for any meeting attended by the Commissioner, whether or not serving on the board/group holding the meeting.  
Leelanau County Board per diems are only paid if the Commissioner is serving on the board/group holding the meeting.

Prepared by:

Katie Stroven  
Deputy City Clerk



## **Draft Statement of Intent**

### Framework

Service as a member of the Traverse City, City Commission is primarily a contribution to the enhancement of the community. Commissioners extend countless hours to the process both publically and privately.

The terminology used to describe any financial payment is important as it carries information about its intent. Many governmental groups receive a financial payment. The primary terms used to describe those payments are "salary" and/or "expenses". It is the belief of the Traverse City Local Officers Compensation Commission that neither term applies in the present circumstances.

A salary is normally based on actual work or responsibility and normally is intended to cover the total effort involved. We believe that in the current situation the work of a City Commissioner is not a primary job and that attempting to establish a salary level would not only be difficult but contrary to the focus and intent of the position.

Expenses are normally paid for the actual out-of-pocket costs for each individual in a given situation. Paying actual expenses immediately involves multiple and complex definitions for different categories of expenses. It also demands potentially complex individual tracking and financial oversight.

Some groups have addressed this by using a per diem system but this system has many negative implications including lack of organizational control, competition among individuals and difficulties with definitions of appropriate applications.

For the above and other reasons the Traverse City Compensation Commission has chosen the term "compensation" to reflect the a financial philosophy that we believe reflects the appropriate relationship between members of the City Commission and the community.

### Statement

The purpose of compensation for members of the Traverse City, City Commission is to provide a respectful acknowledgement of the costs involved in providing the invaluable voluntary contributions made by individual commissioners.

### Methodology and Recommended Compensation Plan

To be determined





The City of Traverse City

## Communication to the Commission

LOCAL OFFICERS COMPENSATION COMMISSION MEETING OF SEPTEMBER 14, 2015

DATE: SEPTEMBER 8, 2015  
FROM: BENJAMIN MARENTETTE, CITY CLERK  
SUBJECT: CITY COMMISSION COMPENSATION

A handwritten signature in blue ink, likely belonging to Benjamin Marentette, the City Clerk.

Attached is background information to hopefully assist you in making your determination.

The Local Officers Compensation Commission determines the salaries for the City Commission; and the salaries become effective 30 days upon filing with the City Clerk, unless the City Commission rejects it by a 2/3 vote (5 votes). After the Local Officers Compensation Commission makes its determination, the Chair will need to present the report to City Commission (my office can assist in preparing the report).

In 2009, the LOCC followed the rate of inflation as determined by the State of Michigan for utilization in the determination of capped and taxable value of property. Since 2009, the salary for the Mayor and City Commission has not increased due to lack of quorum of the LOCC. To determine the salaries for the following years, the LOCC must make the determination of whether or not to simply increase by the multiplier from the State (1.016%) or take into consideration the average compensation of elected officials in communities similar to Traverse City.

The LOCC is not required to determine a salary increase during its meeting; however, if it is the consensus of the members to do so, the following information may be helpful in making a determination.

To approve an increase using only the 2015 State of Michigan multiplier for rate of inflation (1.016%), the salaries would be increased to the following:

- Mayor: \$6,082
- Mayor Pro Tem: \$4,866.03
- Commissioner: \$4,378.78

To approve an increase using each year's State of Michigan multiplier since 2011 (see spreadsheet for detail), the salaries would be increased to the following:

- Mayor: \$6,333.09
- Mayor Pro Tem: \$5,066.89
- Commissioner: \$4,559.55

The LOCC can also increase the compensation to whatever deemed appropriate by its members.



Sample Motion:

**that the annual compensation for the City Commission be approved as follows:**

**Mayor:**                   \$ \_\_\_\_\_

**Mayor Pro Tem:**       \$ \_\_\_\_\_

**Commissioner:**       \$ \_\_\_\_\_

**Which reflects** \_\_\_\_\_.

BCM/kes



# **Annual Gross Pay for Mayor and Commissioners - 2015**

	Grand Haven	Bay City	Holland	Marquette	Midland	Muskegon	Average Pay	Traverse City
Mayor	\$ 3,550.00	\$ 7,500.00	\$ 12,000.00	\$ 10,000.00	\$ 6,200.00	\$ 7,800.00	\$ 7,841.67	\$ 6,020.83
Mayor Pro Tem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,817.09
Commissioner	\$ 2,882.00	\$ 6,000.00	\$ 6,000.00	\$ 7,500.00	\$ 4,000.00	\$ 6,500.00	\$ 5,480.33	\$ 4,334.74

## **Notes:**

The jurisdictions polled do not pay their Mayor Pro Tem a different salary than that of the Commissioners  
Grand Haven convened a meeting of their Local Officers Compensation Commission after our meeting of July 17th and provided updated compensation information. The compensation reflect for Grand Haven shows an increase of \$70 for Mayor and \$57 for Commissioner.

## **Proposed Pay Increase factoring in each year's multiplier**

Pay Year	CPI Adjustments	Increase Mayor	Proposed Mayor Pay/Year	Increase MPT	Proposed MPT Pay/Year	Increase Comm.	Proposed Comm. Pay/Year
2015	1.016%	\$ 63.70	\$ 6,333.09	\$ 50.96	\$ 5,066.89	\$ 45.86	\$ 4,559.55
2014	1.025%	\$ 63.61	\$ 6,269.39	\$ 50.89	\$ 5,015.93	\$ 45.80	\$ 4,513.69
2013	1.027%	\$ 63.08	\$ 6,205.78	\$ 50.47	\$ 4,965.04	\$ 45.41	\$ 4,467.89
2012	1.017%	\$ 61.84	\$ 6,142.70	\$ 49.45	\$ 4,914.57	\$ 44.52	\$ 4,422.48
2011	0.997%	\$ 60.03	\$ 6,080.86	\$ 48.03	\$ 4,865.12	\$ 43.22	\$ 4,377.96

## **History**

2014	No Change (no quorum of Commission)
2013	No Change (no quorum of Commission)
2012	No Change (no quorum of Commission)
2011	No Change (no quorum of Commission)
2010	Annually - 2.23% increase - Mayor \$6,020.83, Mayor Pro Tem \$4,817.09, Commissioner \$4,334.74
2009	Annually - 2.23% increase - Mayor \$6,020.83, Mayor Pro Tem \$4,817.09, Commissioner \$4,334.74
2008	No Change (rejected increase in 2008)
2007	No Change (rejected increase in 2007)
2006	No Change (rejected increase in 2006)
2005	No Change (rejected increase in 2005)
2004	Annually - 1.5% increase - Mayor \$5,761.02, Mayor Pro Tem \$4,609.23, Commissioner \$4,147.69



2003	Annually - 1.5% increase - Mayor \$5,675.88, Mayor Pro Tem \$4,541.11, Commissioner \$4,086.39
2002	Annually - 3.2% increase - Mayor \$5,592, Mayor Pro Tem \$4,474, Commissioner \$4,026
2001	Annually - 3.2% increase - Mayor \$5,418, Mayor Pro Tem \$4,335, Commissioner \$3,901
2000	Annually - 5% increase - Mayor \$5,250, Mayor Pro Tem \$4,200, Commissioner \$3,780
1999	Switch made to annual - Mayor \$5,000, Mayor Pro Tem \$4,000, Commissioner \$3,600
1998	Per Meeting Payment - Mayor \$75/meeting, Mayor Pro Tem \$55/meeting, Commissioner \$50/meeting

Prepared by: Katie Stroven, Deputy City Clerk